



Press Release

Regulated information (*)

Brussels/ Sydney - 5 July 2010

QBE to acquire reinsurance company Secura NV from KBC Group

Capital release¹ of 139 million EUR for KBC Group

KBC Group and QBE Insurance Group reached an agreement on the sale of reinsurance company Secura NV for a consideration of 267 million EUR plus gains to be realised on the investment portfolio and earnings for the year 2010 until completion. For KBC, the transaction will result in a capital release of 139 million EUR, based on an estimate of the gains and profit for the year.

- The Australian (re)insurance group QBE Insurance Group is acquiring Secura NV, a subsidiary of KBC Insurance, offering growth opportunities to Secura and continuity for its customers and staff.
- QBE is one of the top 25 insurance and reinsurance groups in the world, with offices in 47 countries and over 13 500 employees. Listed on the Australian Stock Exchange, it has a market capitalisation of 18 billion AUD and is rated 'A+' by Standard and Poor's. Its reinsurance activities are highly complementary to those of Secura providing a significant geographical expansion for its existing European business and attractive growth opportunities leveraging the mutual expertise of the two businesses.
- As part of its updated strategy, KBC group will focus on its core bancassurance expertise in its home markets (Belgium and Central and Eastern Europe) while further reducing the risk profile of the overall group. To safeguard growth perspectives for Secura, it was decided, with support from Secura's management, to look for a new strategic partner for the business.
- Secura NV is a specialised European non-life and life reinsurer with a diversified and Europe-focused customer portfolio. The company is located in Brussels and employs 86 staff.
- Secura operates on a stand-alone basis within the KBC group and has consistently returned excellent operating results. At the end of 2009, Secura contributed 28.6 million EUR to KBC Group's consolidated net profit. The transaction will immediately release an estimated 139 million EUR in capital for KBC and will have a positive impact of 10 basis points on KBC's tier-1 ratio.
- As a core entity of QBE, Secura will continue to develop its activities based on QBE's A+ rating and Secura's technical expertise. It is QBE's intention that Secura's brand, business model, management and staff will be maintained, while its activities will remain centralised in Brussels.
- The transaction is expected to close in the third quarter and is subject to relevant regulatory approvals.

¹ Estimated capital release

(*) This news item contains information that is subject to the transparency regulations for listed companies

Johan Thijs, CEO of KBC group's Belgium Business Unit, commented on the agreement: 'Secura is a strong brand in the reinsurance sector. We are happy to have found a partner for Secura who will appreciate and further develop the qualities and potential of the company, and can continue to provide it with the necessary resources for further expansion in the reinsurance sector'.

Jan Leflot, CEO of Secura NV, confirms the positive effect of the transaction. "For many years, Secura has operated as an independent reinsurer within the KBC group. Today, the agreement with QBE will give us the possibility to develop our activities further and explore new markets, building on the strong and unique market position we have built up over the years. Together with QBE's other European entities it will be our ambition to reach a leading reinsurance position.'

Frank O'Halloran, CEO QBE: "We have known Secura for many years. They have a unique client base, a long track record of profitability and an excellent team of experienced insurance professionals. Together, the combined expertise and strength of QBE and Secura's reinsurance offering present a significant platform for growth and development."

New strong shareholder

On 18 November, 2009, KBC announced its updated strategy of predominantly focusing on its core bancassurance expertise for retail customers, small and medium sized enterprises and midcaps in its home markets (in Belgium and Central and Eastern Europe) and further reducing the risk profile of the group. Secura NV is a respected reinsurance company with an excellent reputation in the sector, a broadly diversified and profitable portfolio, and a distinct presence on the European market for co-operative insurers. Since reinsurance activities are not considered to be a core activity in KBC's renewed strategy, it was decided to look for a new strategic partner for Secura NV.

QBE Insurance Group is Standard & Poor's 'A+' rated and is one of the world's leading international insurers and reinsurers, headquartered in Sydney, Australia. They operate out of 47 countries across the globe, with a presence in all key insurance markets, and are lead underwriters within their chosen markets, setting rates and conditions.

QBE's European Operations, which account for 35% of QBE Group turnover, is a leading specialist in London market and European commercial lines business. It provides a wide range of insurance cover, including property, motor, liability and professional indemnity across a broad range of business types and sizes.

Note for the editor:

[About Secura NV \(www.secura-re.com\)](http://www.secura-re.com)

Secura is a specialised European property, non-life and life reinsurer. The company was established in 1945 and boasts a strong rating (S&P 'A-stable'). Its premium income amounted to 218 million EUR in 2009 thanks to a broadly diversified and European portfolio, focusing on the Benelux and France. Secura operates from Brussels (Belgium) and employs 86 staff.

[About KBC Group NV \(www.kbc.com\)](http://www.kbc.com)

Follow KBC on www.twitter.com/kbc_group

KBC is a bancassurer that focuses on its home markets in Belgium and Central and Eastern Europe (Czech Republic, Slovakia, Poland, Hungary and Bulgaria). KBC's headquarters are located in Brussels (Belgium), the heart of Europe. The group employs around 54 000 staff and caters for 12 million customers. KBC Group NV is listed on NYSE Euronext Brussels (ticker symbol 'KBC'). KBC's press releases are available at www.kbc.com.

For this transaction, KBC was advised by Willis Capital Markets & Advisory (financial advisor) and by Baker & McKenzie (legal advisor)

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